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2014 Q2 Market Pulse Report

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INTERNATIONAL BUSINESS BROKERS ASSOCIATION | M&A SOURCE | PEPPERDINE PRIVATE CAPITAL MARKETS PROJECT

MARKETPULSE

QUARTERLY SURVEY REPORT

SECOND QUARTER 2014

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MARKET PULSE SURVEY REPORT SECOND QUARTER 2014

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PEPPERDINE PRIVATE CAPITAL MARKETS PROJECT

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KEY FINDINGS

Investors saw a significant increase in the number of deals completed, with a focus on high-growth sectors. The market remained resilient despite global uncertainties, showing a clear trend towards digital transformation and sustainable growth.

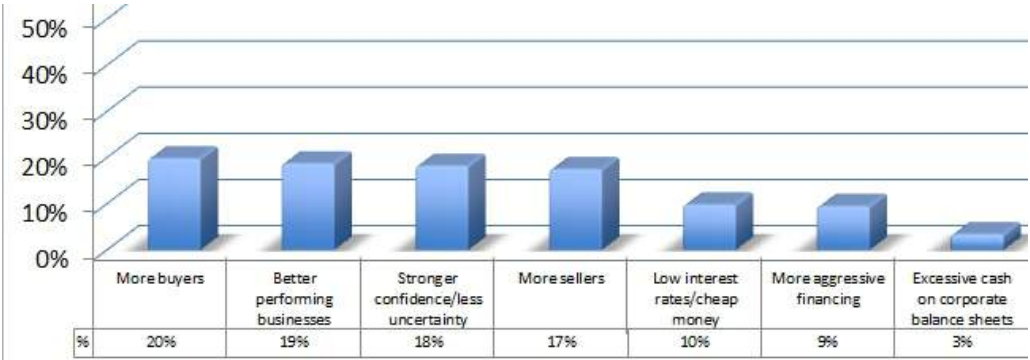
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Leading companies continued to drive innovation, with significant investments in R&D. The overall market sentiment was positive, supported by strong corporate earnings and a stable macroeconomic environment. Key sectors like technology and healthcare showed robust performance.

B

Investment in infrastructure and renewable energy remained a priority for governments and private entities alike.

0Ms “v d s



Recent market developments indicate a steady recovery in investor confidence. The integration of artificial intelligence and automation is accelerating across various industries, leading to increased productivity and new market opportunities.

Figure 3: Mean Index of New Clients by Deal Size

	Q2 2014	Q1 2014
D8833T	616	615
8833T084WW	618	518
84WW085WW	619	518
85WW088WW	618	51A
88WW0883WW	616	519

Key statistics show a 15% increase in deal volume compared to the previous quarter, with a notable rise in mid-sized transactions.

BUYER VS. SELLER MARKET

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TOP 3 SELLER MISTAKES

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The greater the emotional attachment, the more likely sellers are to hang on too long when the business would truly be better served by someone with more energy, new ideas, or additional resources.

- Dora Lanza

VALUATION MULTIPLES

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84WW085WW	6 4 +eMN	6 4 +eMN	5 18 +eMN
85WW088WW	7 18 +NKR MI ,	7 16 +NKR MI ,	7 13 +NKR MI ,
88WW0883WW	8 17 +NKR MI ,	7 18 +NKR MI ,	8 13 +NKR MI ,

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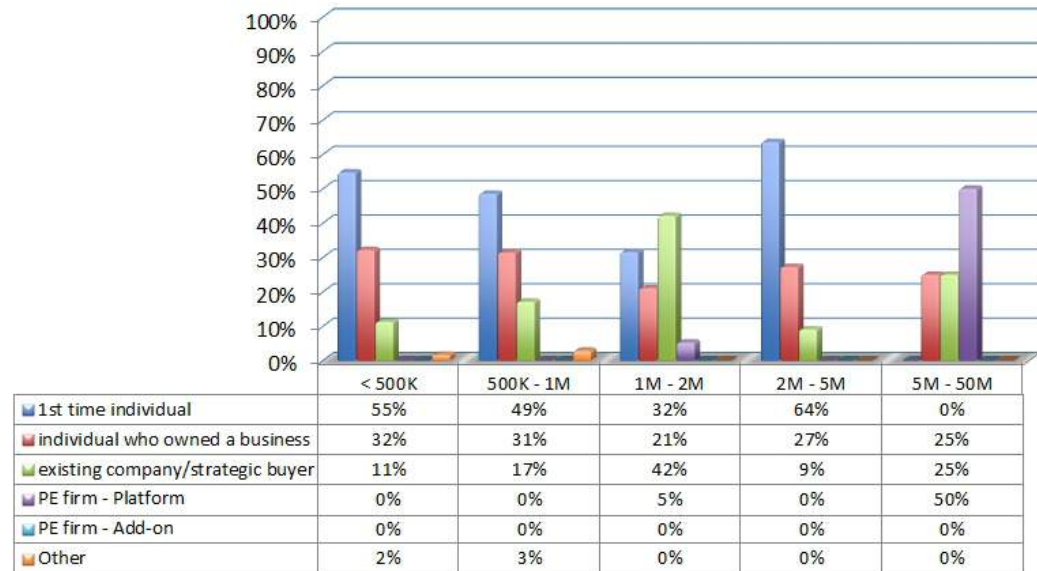
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84WW085WW	6 1306 18 +eMN	8<’
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BUYER TYPES

Overall, the majority of buyers are first-time individuals, followed by individuals who have previously owned a business. The chart shows the percentage of different buyer types across various deal sizes. The data is as follows:

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HOT INDUSTRIES

The chart shows the percentage of deals in various industries. The data is as follows:

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85WW0&8WW	M" t " +5<' ,	Ws xsu " y +5<' ,
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MEDIAN TIME TO CLOSE

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84WW085WW	9	9
85WW088WW	9	@
88WW0883WW	9	A

Sellers don't
 have to hold
 as much
 paper in the
 deal post-close.

- Steve Wain

DEAL STRUCTURE

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8833T084WW	4@	6'	5'	48'	<'	4'
84WW085WW	A'	4'	0	5<'	5'	0
85WW088WW	43'	4'	6'	44'	5'	0
88WW.	0	5<'	8'	44'	43'	6'

SECOND TIME TO MARKET AND UNSOLICITED OFFERS

Unfortunately, many business owners don't understand the negative repercussions that can occur when you try to sell your business on your own.

0 Craig R. Everett

Like many industries, you get what you pay for.

- Scott Bushkie

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